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Message Text

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PAGE 01 LAGOS 04773 031007Z
ACTION COME-00

INFO OCT-01 AF-10 EB-07 ISO-00 /018 W
----------031101Z 106840 /22
R 281443Z APR 77
FM AMEMBASSY LAGOS
TO SECSTATE WASHDC 770
INFO AMCONSUL IBADAN
AMCONSUL KADUNA

UNCLAS LAGOS 4773

E.O. 11652: NA
TAGS: BENC, EQUIP, AELR, NI
SUBJ: MAJOR PROJECT: NIGERIAN CEMENT PLANT EXPANSION PROGRAM

REF: STATE 67908

1. FOLLOWING IS PRELIMINARY ATTEMPT SEIZE UP CEMENT PLANT PROGRAM AS REQUESTED REFTEL. DESIRED INFORMATION NOT RPT NOT READILY AVAILABLE BECAUSE THERE NUMEROUS AND DISPERSED PROJECTS IN VARIOUS STAGES AS WE LL
AS TENTATIVE PLANS. LATER MESSAGES MAY CORRECT SOME DETAILS BELOW. A PRINCIPAL FMG CONTACT FOR VISITORS INTERESTED IN THIS SECTOR IS MR. D.O. DEDE, MINISTRY OF INDUSTRIES. COMMERCE AND INDUSTRY DIVISION OF MINISTRY OF ECONOMIC DEVELOPMENT ALOS KNOWLEDGEABLE ON SECTOR.

2. EXISTINGHAND EXPANDING PLANTS:
A. CALABAR CEMENT CO. LTD., P.M.B. 1092, CALABAR, HAS ALMOST COMPLETED EXPANSION TO 400,000 MT/Y. SECOND PLANT ENVISIONED AT LIMESTONE SOURCE, 20 KM. FROM EXISTING PLANT.
B. THE CEMENT COMPANY OF NORTHERN NIGERIA LTD., P.O. BOX 125 AND P.M.B. 2166, SOKOTO, HAS SHUT DOWN ITS PLANT. REASONS UNCLEAR AND CLOSURE NOT RPT NOT PERMENENT.
C. LAGOS CEMENT WORKS CO., 27 CREEK ROAD, PJOO. BOX 802, APAPA, OPENED 500,000 MT/Y CLINKER PLANT LAST JULY.
C. UPILLA CEMENT CO. LTD., P.O. BOX 35, AUCHI BENDEL,
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IN PROCESS EXPANDING TO 450,000 MT/Y.
E. NIGERIAN CEMENT CO. LTD., NKALAGU, P.O. BOX 331, ENUGU, ANAMBRA, EXPANDING WITH OWN RESOURCES (E.E., NOT FMG OR STATE FINANCING) HENCE FEW DETAILS KNOWN HERE. THIS IS NIGERIA'S OLDEST CEMENT PLANT.
F. EWWKORO: 800,000 MT/Y (SEE PARA 3 VDBELOW).

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3. NEW PLANTS:
A. ASAKA, BAUCHI: MAIN CONTRACT LET, WORK APPARENTLY NOT STARTED (ITALIAN FIRM WITH AMERICAN MINORITY INTEREST MAY CONSTRUCT); 700,000 MT/Y.
B. SHAGAMU, OGUN: FIRST OF TWO KILNS ORIGINALLY PLANNED MAY BE COMMISSIONED JULY; THIRD KILN DEFINITELY PLANNED; 900,000 MT/Y. THIS IS UNDER WEST AFRICAN PORTLAND CEMENT CO. LTD., EWEKORO, ABEOKUTA, WHOSE EWEKORO PLANT PRODUCES 800,000 MT/Y.

4. POSSIBLE PLANTS
A. OGUN STATE CEMENT PROJECT: JAPANESE FIRM DOING FEASIBILITY STUDY FOR JULY COMPLETION (SEE IBADAN 213 AND PREVIOUS).
B. KWARA STATE CEMENT PROJECT: THIS MAY MT RPT NOT MATERIALIZE AS LIMESTONE QUALITY IS NEAR MARBLE, TOO HIGH FOR CEMENT.
C. IMO STATE CEMENT PROJECT: FMG REPORTEDLY HAS COMMISSIONED FEASIBILITY STUDY FOR PLANT PROPOSED FOR AROCHUKWU NORTH OF CALABAR.

3. MINISTRY OF ECONOMIC DEVELOPMENT OFFICIAL ESTIMATES THAT EVEN WHEN PLANTS LISTED PARAS A AND B ABOVE COMPLETED DOMESTIC CEMENT PRODUCTION WILL SATISFY ONLY TWO-THIRDS OF DOMESTIC DEMEND. IF EXPANDED OR ADDITIONALY PLANTS WARRANTED THEY WOULD BE IN FOURTH DEVELOPMENT PLAN (1980-85). POTENTIAL SOURCES BEING SOUHT.

6. OWNERSHIP ABOVE PLANTS WILL TAKE TIME ASCERTAIN BUT IT BELIEVED THAT VIRTUALLY ALL HAVE SUBSTANTIAL FEDERAL OR STATE GOVERNMENT OWNERSHIP WITH MINORITY PRIVATE AND/OR FOREIGN INTERESTS. FOR EXAMPLE, UKPILLA IS 70 PER CENT BENDEL STATE, 20 PER CENT ADO
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IBRAHEEM AND CO., 10 PER CENT COUTINHO, CARO AND CO. WHILE NKALAGU (PARA 1 E) HAS OR HAD 19 PER CENT BRITISH OWNERSHIP.

7. WITH PROVISON THAT SOME OF ABOVE DETAILS MAY BE MODIFIED AFTER CLOSER

EXAMINATION, APPEARS THAT COMMERCIAL OPPORTUNITIES EXIST AT CALABAR (PARA 2A) AND SHAGAMU (3C) AND POSSIBLY AT SOKOTO (2B) AND THE THREE PLANTS MENTIONED PARA 4 LONGER RANGE POSSIBILITIES MAY EXIST AFTER 1980. SEEMS CLEAR THAT CEMENT IMPORTS WILL CONTINUE FOR YEARS. IMO STATE

GOVERNMENT (PARA 4 C) WELCOMES AMERICAN INTEREST.

8. WE AWARE THAT CONTRACTORS FOR CURRENT WORK ARE OF INTEREST AND WILL ATTEMPT PROVIDE. MEANWHILE MIGHT BE USEFUL FOR MEPD TO SPECIFY

ANY ADDITIONAL AREAS OF INTEREST;
EASUM

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Control Number: n/a
Copy: SINGLE
Sent Date: 28-Apr-1977 12:00:00 am
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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